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Proposed Attorneys for Debtors and Debtors-in-Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re
ARETE HOLDINGS, LLC,
Debtor.

Chapter 11

Case No. 2:11-bk-02009-RTB
(Jointly Administered)

Case No. 2:11-bk-02010;
Case No. 2:11-bk-02011;
Case No. 2:11-bk-02012; and
Case No. 2:11-bk-02020

This filing applies to: ☒ All Debtors
☐ Arete Holdings, LLC
☐ Arete NW, LLC
☐ Arete Sleep Therapy NW, LLC
☐ Arete Sleep, LLC
☐ Arete Sleep Therapy, LLC

**MOTION TO SET EXPEDITED FINAL
HEARING ON DEBTORS MOTION FOR
INTERIM AND FINAL ORDERS
PURSUANT TO 11 U.S.C. §§ 105 AND 364
APPROVING POST-PETITION
FINANCING AND CONTINUING
EXISTING CREDIT AGREEMENT**

Hearing Date:

Hearing Time:

Location:

Courtroom #703

230 N First Ave

Phoenix AZ 85003

Areté Holdings, LLC, Arété NW, LLC, Arété Sleep, LLC, Arété Sleep Therapy, LLC, and
Arété Sleep Therapy NW, LLC (collectively, the “Debtors”), Debtors and Debtors-In-Possession in the
above-captioned matter, hereby file their *Motion to Set Expedited Final Hearing on Debtors' Motion
for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105 and 364 Approving Post-Petition*

1 *Financing and Continuing Existing Credit Agreement* ("Motion to Set") requesting that this Court set a
2 final hearing on Debtors' Motion to approve DIP financing (the "DIP Motion" filed at DE #5) on or
3 before February 15, 2010. This Motion to Set is supported by the following Memorandum of Points
4 and Authorities.

5 **MEMORANDUM OF POINTS AND AUTHORITIES**

6 The Debtors commenced these bankruptcy proceedings by each filing a Chapter 11 bankruptcy
7 petition on January 26, 2011 (the "Petition Date"). On the Petition Date, the Debtors filed a number of
8 first day motions, including their DIP Motion (Docket #5), which seeks approval of a credit agreement
9 between the Debtors and their principal, True North Partners, LLC that would provide the Debtors
10 with up to \$425,000 in post-petition financing (the "DIP Facility").

11 The Court held an emergency hearing on the DIP Motion on February 1, 2011 (the "Emergency
12 Hearing"). At the Emergency Hearing, counsel for the Debtors explained that the Debtors were facing
13 a cash flow crisis, and that it may be necessary for the them to draw on the DIP Facility by the end of
14 the week (ending February 4, 2011) to, among other things, pay their payroll and make February rent
15 payments. The United States Trustee agreed to entry of an interim order that would provide the
16 Debtors access to up to \$100,000 from the DIP Facility, with such order to expire on February 14,
17 2011.

18 An interim order was never lodged as the Debtors ended up generating sufficient cash flow to
19 cover their payroll and rent obligations due the week of January 31 – February 4 without needing
20 access to the DIP Facility. However, the Debtors' expectation is that they will need access to the DIP
21 Facility in order to cover expenses, including payroll, that will be due the week of February 14 –
22 February 18. Accordingly, the Debtors request that the Court to set a final hearing on the DIP Motion
23 on or before February 15, 2011 (payroll must be funded on February 16, 2011).

24 WHEREFORE, the Debtors request entry of an Order in a form substantially similar to that
25 attached hereto as **Exhibit A** (a) setting a final hearing on the DIP Motion (the "Final Hearing") on or
26 before February 15, 2011; (b) directing that any objection to the DIP Motion be filed with the Court on
27 or before 3:00 p.m. at least one business day prior to the date set for the Final Hearing (c) directing the
28 Debtors to provide notice of the Final Hearing to the United States Trustee, all of the Debtors'

creditors, and all other parties requesting notice in these cases, and (d) granting any other and further relief as the court deems appropriate.

RESPECTFULLY SUBMITTED this February 7, 2011.

STINSON MORRISON HECKER LLP

By: /s/ Josh Kahn (#026284)

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and

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Proposed Attorneys for Debtors

COPY of the foregoing sent this February 7,
2011, to:
Office of the U.S. Trustee
230 N First Ave #204
Phoenix AZ 85003-1706

/s/ Anne Charles

EXHIBIT A

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This filing applies to: ☒ All Debtors
☐ Arete Holdings, LLC
☐ Arete NW, LLC
☐ Arete Sleep Therapy NW, LLC
☐ Arete Sleep, LLC
☐ Arete Sleep Therapy, LLC

**ORDER SETTING EXPEDITED FINAL
HEARING ON DEBTORS MOTION FOR
INTERIM AND FINAL ORDERS
PURSUANT TO 11 U.S.C. §§ 105 AND 364
APPROVING POST-PETITION
FINANCING AND CONTINUING
EXISTING CREDIT AGREEMENT**

Hearing Date:

Hearing Time:

Location:

Courtroom #703

230 N First Ave

Phoenix AZ 85003

The Court has considered the *Motion to Set Expedited Final Hearing on Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105 and 364 Approving Post-Petition Financing and Continuing Existing Credit Agreement* (Docket #__) ("Motion to Set") filed by Areté Holdings, LLC, Areté NW, LLC, Areté Sleep, LLC, Areté Sleep Therapy, LLC, and Areté Sleep Therapy NW,

1 LLC (collectively, the "Debtors"), Debtors and Debtors-In-Possession in the above-captioned matter,
2 on February _____, 2011, which requests that the Court enter an Order setting a final hearing (the
3 "Final Hearing") on the *Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105*
4 *and 364 Approving Post-Petition Financing and Continuing Existing Credit Agreement* (the "DIP
5 Motion") (Docket #5) filed on January 26, 2011. The Court having considered the Motion to Set, the
6 record in this case, the comments made by counsel at a hearing held on February 1, 2011, and for cause
7 appearing, hereby finds as follows:

8 1. Through the Motion to Set, the Debtors request that the Court schedule the Final
9 Hearing to consider entry of a Final Order approving the proposed debtor-in-possession financing as
10 set forth in the DIP Motion on or before February 15, 2011.

11 2. That the relief requested in the Motion to Set is reasonable and in the best interests of
12 the estates and their creditors.

13 3. That the Motion to Set may be granted with no additional notice.

14 Therefore, for good cause appearing,

15 IT IS HEREBY ORDERED granting the Motion to Set and setting a final hearing on the DIP
16 Motion for **February , 2011, at : .m.**

17 IT IS FURTHER ORDERED that any response or objection to the DIP Motion must be filed on
18 or before **February , 2011 at : .m.**

19 IT IS FURTHER ORDERED that the Debtors shall immediately serve this Order on all
20 creditors and interested parties in this case.

21 DATED AND SIGNED ABOVE.